

Message Text

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PAGE 01 BONN 04823 161654Z
ACTION EB-08

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FM AMEMBASSY BONN
TO SECSTATE WASHDC IMMEDIATE 6822

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E.O. 11652: N/A
TAGS: EAIR, GW
SUBJECT: CIVAIR: FRG NOTICE OF DISSATISFACTION WITH
PAN AM FARE FILING

REF: STATE 67195

1. FOLLOWING IS EMBASSY TRANSLATION OF SUBSTANTIVE PORTIONS OF FOREIGN OFFICE NOTE DATED MARCH 15 AND RECEIVED MARCH 16 1978. THE NOTE REFERRED TO IN THE LAST SENTENCE CONTAINED A COPY OF THE AIDE MEMOIRE PRESENTED IN LATE NOVEMBER OR EARLY DECEMBER 1977 BY THE FRG EMBASSY IN WASHINGTON ON THE SUBJECT OF THE LUFTHANSA ANTI-TRUST PENALTY AND FRG VIEWS ON FUTURE RATE MAKING. FURTHER EMBASSY RESPONSE TO REFTEL FOLLOWS SEPTEL.

2. QUOTE: PAN AMERICAN WORLD AIRWAYS, INC., ON MARCH 8, 1978, HAS ALSO FILED ITS RATES FOR NORTH ATLANTIC PASSENGER SERVICES, WHICH ARE TO BECOME APPLICABLE EFFECTIVE APRIL 1, 1978, FOR SERVICES BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE UNITED STATES. THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY WELCOMES THE FACT THAT THESE RATES IN SUBSTANCE ARE IDENTICAL
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WITH THOSE RATES FILED BY DEUTSCH LUFTHANSA AG. THEY ALSO INCLUDE A SUPER-APEX RATE AT THE SAME PRICES AND CONDITIONS, EXCEPT FOR THE "ADD ON" PORTIONS FOR DOMESTIC USA TRAFFIC. THE MAJOR DIFFERENCE, HOWEVER, IS THAT PAN AMERICAN IN ADDITION WISHES TO REDUCE THE PRESENTLY VALID APEX RATES AND TO INTRODUCE A NEW BUDGET FARE.

3. BECAUSE OF THESE TWO FEATURES OF THE PAN AMERICAN FILING, THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY WISHES TO EXPRESS, IN ACCORDANCE WITH ARTICLE 11 (F) OF THE GERMAN-AMERICAN BILATERAL AIR AGREEMENT, ITS DISSATISFACTION WITH THE PAN AMERICAN RATE FILING. THE GOVERNMENT IS OF THE OPINION THAT ONE SINGLE, APPRECIABLY REDUCED RATE WITHIN THE NORTH ATLANTIC RATE STRUCTURE IS SUFFICIENT TO GIVE DUE CONSIDERATION TO THE INTERESTS OF THE CONSUMER WHILE AT THE SAME TIME NOT ENDANGERING THE ECONOMIC VIABILITY OF SCHEDULED AIR SERVICES. IN THE GERMAN OPINION, THE SUPER-APEX FARE CONTAINED IN THE RATE CONCEPTS OF BOTH CARRIERS - DEUTSCHE LUFTHANSA AND PAN AMERICAN - APPEARS ESPECIALLY SUITED FOR THIS PURPOSE. MOREOVER, THE GERMAN AUTHORITIES WISH TO REITERATE THAT MULTILATERAL RATE MAKING WITHIN IATA IN ACCORDANCE WITH ARTICLE 11 OF THE BILATERAL AIR TRANSPORT AGREEMENT BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE UNITED STATES OF AMERICA, OR PRIOR COORDINATION BETWEEN THE CARRIERS OF BOTH PARTIES ON RATES TO BE APPLIED, WOULD BE BEST SUITED TO AVOID THAT THE CONSUMER AGAIN CANNOT BE INFORMED IN DUE TIME OF APPLICABLE FARES. IN THIS CONTEXT, REFERENCE IS MADE AGAIN TO THE AUSWAERTIGES AMT'S NOTE VERBALE OF DECEMBER 2, 1977 - 404-455.00 USA.

END QUOTE. MEEHAN

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Message Attributes

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